

leave here, such as LIHEAP. Hopefully, that could be included in either the stimulus package or the CR. Oil prices are not as high as they have been, but fuel oil in the Northeast is expected to be high this winter. We hope to work something out on mental health parity, the Ledbetter issue. We could have another vote on that, if I decide that. We have a lot to do.

This morning, we are going to have a period for morning business for up to 1 hour, as soon as I complete my statement. The majority will control the first 30 minutes. My understanding is that Senator DORGAN is here and available, and he will speak for about 15 minutes. The Republicans will control the last 30 minutes.

Following that, we will resume consideration of S. 3001, the Defense authorization. Yesterday, cloture was invoked on the Defense bill, and I announced at that time I was appreciative of the help we got from the Republicans. All postcloture debate time will expire about 9:30 tonight.

#### RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

#### MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for up to 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the second half.

#### RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

#### HURRICANE IKE

Mr. MCCONNELL. Mr. President, the impact of Hurricane Ike, as we all know, devastated part of the United States, including my State of Kentucky. This past Sunday, 70-mile-per-hour winds blew through the State, leaving thousands of people with damaged or destroyed property.

I could give my own personal observation about it. My wife and I were out at lunch Sunday when the storm came through. There were very high winds, as I indicated—70-mile-an-hour winds—which we are certainly not accustomed to in Louisville, KY. We drove home and saw that one way into our house was blocked because a tree in our own yard had fallen across the road. We took another route around to try to get into the back of the house, and another

tree had fallen across the road. That was replicated across Louisville, KY. The power in my own house is still out—to personalize it—as it is in a huge number of houses in Louisville and northern Kentucky, which is across from Cincinnati. This had a severe impact on a lot of people. The good news is that the hospitals and major facilities do have power.

As many as 170,000 homes are still without power. And schools in several counties remain closed today as the cleanup continues.

State and local officials are working as hard as they can to survey the destruction and get help to anyone who needs it.

I expect the State will soon ask the Federal Government for disaster assistance, which I will strongly support.

#### THE ECONOMY

Mr. MCCONNELL. Mr. President, families all across America are concerned about their financial security. As Congress, the administration and Federal Reserve consider the appropriate measures to strengthen our capital markets, I believe it is imperative that we do so in a bipartisan manner.

Now more than ever is the time to rise above politics and work together. Our constituents do not want campaign speeches and hyperpartisan accusations—they want security for their home and savings. They want energy security and lower costs for gas and oil. And they want protection from future tax hikes on their income.

Government should be focused on bipartisan efforts to address the fundamental problems in the credit markets and must be cautious in putting taxpayer dollars at risk. And we should work together to help all Americans.

#### CONSTITUTION DAY

Mr. MCCONNELL. Mr. President, in giving these remarks, I am saluting Senator BYRD.

Just a few short blocks from this Capitol at the National Archives lies an old and yellowing document, encased under heavy glass.

It is the Constitution of the United States, signed on this day in 1787 by 39 brave Americans. They and their countrymen had just fought a war for liberty. And they understood that the highest goal of a government is to preserve and protect that liberty.

The oldest delegate, Benjamin Franklin, was already revered by his colleagues as one of America's greatest statesmen. They wanted to hear his opinion on their work. Franklin told his compatriots in Philadelphia, "I consent, sir, to this Constitution, because I expect no better, and because I am not sure that it is not the best."

Over two centuries later, we can say proudly that the system of Government those great men devised is the best—simple in form, elegant in function, and firmly devoted to the preser-

vation of liberty. Amended many times but never abandoned, our Constitution is the oldest still in use today.

We celebrate, every year, the brilliant document our Founders gave us by marking September 17 as Constitution Day. Senator BYRD was the one who suggested that we do that. It is a day for all Americans, but especially schoolchildren, to learn more about the Constitution, to understand how it works, and to appreciate how it has guided our Nation through growth and change.

I want to thank the senior Senator from West Virginia for sponsoring the legislation 4 years ago to mark this day and to celebrate this seminal document. We all know the love Senator BYRD has for American history, and the history of the Senate.

He knows that you cannot truly understand how liberty is preserved in our country without understanding the Constitution. Thank you, Senator BYRD for your efforts.

Constitution Day serves to promote civic awareness. In Kentucky, we take this charge seriously, and through important efforts like the Civic Literacy Initiative of Kentucky and other projects, we are working to increase civic awareness across the Bluegrass State.

So on this day, we recognize the students, teachers, and community leaders in Kentucky and across the Nation who promote and protect the ideals of our glorious Constitution.

And we say a special thanks for our men and women in uniform, who defend it.

More than two centuries ago, the 39 signers of our Constitution gave us a more perfect Union through a document that endures and guides us here today. They understood, as we all must, that above all, Government serves to secure the blessings of liberty for the people of our great Nation.

Mr. President, I yield the floor.

Mr. REID. Mr. President, I applaud my colleague for the statement he made. The Constitution is our guiding document in this great country. There isn't too much emphasis we can place on it. I respect the words of my colleague. I am confident that he speaks for all Senators.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

#### THE ECONOMY

Mr. DORGAN. Mr. President, it is now Wednesday of a week that began with a 504-point collapse in the stock market on Monday. The American economy, I think most people would understand, is in serious trouble. These are not ordinary times for our country. We have been the economic engine of the world. We have built an economic engine that is unparalleled. It has been an unbelievable economy, and created great jobs. Yet we now run into some very significant problems.

The financial wreckage that has occurred in recent months in this country is almost staggering. Very large investment banks that have been around for a long while are gone. Bear Stearns, Lehman Brothers, Merrill Lynch, venerable old investment firms. Bear Stearns, a 158-year firm, survived the Civil War, the Great Depression, but it could not survive today.

What has happened? What is causing all this? We understand in the months of this year up to \$1 trillion of taxpayers' money has been offered in support—loan guarantees and various things—to try to contain the growing financial difficulty in this country.

I am not going to second-guess those who are working day and night trying to figure out how we stem the damage. I don't know the figures. I am not in the engine room to know all of the dials, gauges, and knobs that they are working on to try to figure out how we stem the damage. So I am not going to be critical today of guarantees and takeovers and so on.

I am going to say to the American people that they should not worry about their bank account in an insured bank. I don't think anybody should be concerned or run down and try to take their deposits out of their local banks where their deposits are insured by the FDIC. Those are sound, and those deposits are not in jeopardy.

Even in the middle of a financial storm of the type we are experiencing, I think it is reasonable for the American people, when midnight meetings are proposing tens of billions, \$30 billion or \$85 billion of taxpayers' money to try to shore up institutions and deal with this spreading problem, to ask the question: How on Earth did this happen, and why did it happen?

There are two reasons, and it is important to talk about them even in the middle of the storm. One is greed, unbelievable greed; and the second is, in my judgment, deliberate neglect. I will talk about each.

The reason I want to talk about them is because we have to make sure we understand what has caused this problem in order to fix it and to make sure it doesn't happen again. It is not as if this country hasn't seen banks collapse. We saw banks collapse in the 1930s in the Great Depression. Franklin Delano Roosevelt put together the New Deal and put together very specific, very stringent provisions dealing with banking and the safety and soundness of banks. Not just the safety and soundness in numbers but the safety and soundness with respect to perception of that safety and soundness.

They said we learned a lesson in the 1920s, and that lesson is we ought not merge and fuse together inherently risky items such as securities, real estate, insurance, and other things with banking, whose entire existence depends on the perception of safety and soundness.

Glass-Steagall and other legislative provisions were created that separated

traditional banking from the more risky enterprises. That existed for many decades until about 9 years ago when the Financial Modernization Act, as it was inappropriately named and led by Senator Gramm from Texas, was passed by the Congress. I was one of eight Senators to vote against it because it repealed the elements of the Glass-Steagall Act and created the opportunities for large financial holding companies to once again fuse and merge together banking with inherently risky enterprises of securities, real estate, and others.

I know they said: No, no, we are building firewalls. The firewalls, it turns out, are not very thick. We learned a lesson and forgot it.

Let me describe what happened. Once all of this happened, at the root in this country that deals with greed, we had investment banks, mortgage brokers, hedge funds, and mortgage banks, all of them up to their neck in cash, barrels full of cash they were making. Let me describe how they were doing it, and most people will understand this wreckage is not a surprise at all.

Here is what they were doing in this country: As the housing bubble was building, caused in part by easy money advertised to people who had bad credit, we saw bad loans put out there in what was called then—the new lexicon—subprime lending. Here is what Countrywide, the largest mortgage banker said:

Do you have less than perfect credit? Do you have late mortgage payments? Have you been denied by other lenders? Call us . . .

Isn't that unbelievable? Countrywide doesn't exist anymore because it was bought by another firm before it went belly up.

It wasn't just Countrywide. Here is an ad I pulled off the Internet. It was running on television and radio. Millennium Mortgage:

12 months, no mortgage payment. That's right. We will give you the money to make your first 12 months' payments if you call in the next 7 days. We pay it for you. Our loan program may reduce your current monthly payments by 50 percent and allow you no payments for the first 12 months.

Isn't that unbelievable? That is nothing compared to these kinds of advertisements, and most of us have heard them.

Zoom Credit, here is what it said:

Credit approval is just seconds away. Get on the fast track at Zoom Credit. At the speed of light, Zoom Credit will preapprove you for a car loan, a home loan, or a credit card. Even if your credit's in the tank. Zoom Credit's like money in the bank. Zoom Credit specializes in credit repair and debt consolidation, too. Bankruptcy, slow credit, no credit—who cares?

Is this business? No, this is insanity. This is not business. Zoom Credit: Your credit is in the tank, there is money in the bank for you.

On top of that, in addition to putting mortgages out to people who had bad credit, here is what they advertised: You want to get a loan with no documentation so you don't even have to

document your income, that is no problem. We will give you a no-doc loan. You don't have to document your loan. We will give you low-doc loan so you do minimum documentation of your income. By the way, you don't have to make any payments the first 12 months, or you can make payments the first 12 months and pay no principal or you can pay no principal and only partial interest. Unbelievable. All of these companies, shame on them. Unbelievable, unfettered greed making money by the barrel, leaving the rest of us with the financial wreckage that occurred.

Here is what happened. They put out all these bad mortgages, called subprime mortgages. They mixed them with good mortgages and securitized them because these days they securitize everything. They discovered these new exotic financial instruments and put them all together like sawdust and sausage, as they used to do, and put bad loans in with good loans. With all these loans, they put in prepayment penalties saying: We are going to stick you with a reset with a much higher interest rate despite the fact we did a teaser rate at the front end. And when the higher interest rate happens 3 months from now, you may not be able to pay it, but it doesn't matter. You can flip your property because you will make money. Home prices are going up.

So they put in prepayment penalties, and the prepayment penalties made these little securities seem like this was a sure thing and big money. The broker got the mortgage, got a big bonus, went to the mortgage companies—Countrywide and others. They securitized them and set them up in a hedge fund and moved them around the world.

Now they sit with these pieces of security, and they don't have the foggiest idea what is in them. All of a sudden, they go belly up. Mr. President, \$1 billion, \$10 billion, \$100 billion, \$1 trillion, and the carnage spreads across this country's economy.

Greed, unbelievable greed. This is all about making big money in a manner that defies good business sense, and even more, deliberate neglect by regulators in this town. This is no time for politics, but let me say this. At the start of this administration, regulators came to this town and served notice: It's a business-friendly place. Don't worry, be happy. We don't intend to regulate. One regulator in one agency said: It's a new day here, a new sheriff in town. This is a business-friendly place.

When the regulators decide they are not going to regulate, it is like taking the cop off the beat. Regulators represent the referee or the cop. I have used the referee analogy—a striped shirt and whistle, and they call the fouls. There have been no fouls here. When you have a mortgage company that says: You have bad credit, you have been bankrupt. You can't pay

your bills? Come to us. The regulator should say: What are you doing? They say: We want to give you a mortgage that has an unbelievably low rate, 1¼ percent and resets at 10 percent and you don't have to document your loan. We will make the first 12 payments for you. Unbelievable, in my judgment.

Regulators sat by and watched, and it has cost this country \$1 trillion as a result of the unfettered greed that moved across this country.

The fact is, Senator MCCAIN recently said the economy is fundamentally sound. It is not. What has happened here is the erosion of economic strength as a result of unbelievable greed with the subprime mortgage that has spread all over the country.

By the way, I mentioned that what took away Financial Modernization Act Glass-Steagall and the protections we put in place was Financial Modernization Act, also known as the Gramm-Leach-Bliley Act. That is Senator Phil Gramm who led the fight here to do that. I didn't vote with him. He is out still advising Senator MCCAIN on the economy.

Again, this is not about politics, but it is about what happened, how it happened, why it happened, and what we ought to do to make sure it doesn't happen again. We need effective regulators who decide they are going to do, in the interest of the American taxpayers, what they should do. We ought to go back and plug the loophole that was opened by Senator Gramm and others who said: You know what. Let's forget the lessons of the past. Let's let big holding companies gather up big financial enterprises and put them into one big sack, and they will run just fine.

They are not running just fine. They are undermining this country's economic strength.

Mr. President, how much time have I consumed?

The ACTING PRESIDENT pro tempore. The Senator has used 13 minutes.

Mr. DORGAN. Mr. President, I will say again, as I said when I started, this is no ordinary time. Our economy is in peril. We will recover. I hope the kinds of things that are being done by good people who are working 24 hours a day to try to deal with this wreckage will help our economy recover. We are a very strong country, and we have had some people who have undermined this country's economic strength, but I believe we will overcome it. But we won't overcome it unless we understand what happened, how it happened, and why it happened.

I say again, as I said yesterday on the floor of the Senate, this is not some mysterious illness for which we don't have a cure. It is pretty obvious what happened, and it is pretty obvious what we have to do to fix it.

I have been on the floor of the Senate talking for some years about this issue, about the unbelievable amount of leverage and the exotic financial instruments. Does anybody out there know

that we have some \$40 trillion in notional derivative values of credit default swaps? Most people who have them don't even know what they are. Most people didn't understand what kind of infection existed deep in these securitized issues that were being sold back and forth and everybody making money. They had no idea what was in them that was going to blow up at some point. And it has blown up with a significant force at this point that, so far, has cost the American people, by my calculation, up to \$1 trillion.

This ought to be an indelible lesson learned for this institution and for the American people. Greed must be constrained.

The market system is a wonderful system, but you must have a traffic cop on the beat. You must have regulators who regulate. When you begin to take apart things that were protecting this country, such as the Glass-Steagall Act, and promising all kinds of nirvana for tomorrow, when it comes apart, you need to go back and do it over again and do it right.

Mr. President, as I said, these are difficult days, and I want to end as I started. I don't want people who listen to this discussion to believe they should run to the bank and take their deposits out. Insured deposits in American banks are sound, and the American people should understand and not worry about that. That is very important. What we should worry about are the political calculations that led us to take apart the protections, such as Glass-Steagall and others, and second, the unfettered greed that was going on under the noses of regulators who came to this town in 2001 and who decided they didn't have any interest in regulating anything. Those are lessons we need to learn and learn well.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

#### ENERGY

Mr. TESTER. Mr. President, I first wish to thank the Senator from North Dakota for his comments. I think it is particularly important, as we get the news day after day about what is going on in the financial markets of this country, that we don't panic. The fact is, I think the investments we have in our banks are secure. There is no doubt about that. But the truth is, we have gotten here by an administration that, quite honestly, has not done its job with commonsense oversight, and greed has stepped in. The bottom line is that it is costing the Government a lot of money—\$85 billion yesterday—to basically nationalize AIG. So I thank the Senator from North Dakota. I think his comments are on point.

Today, I want to talk about something that has been on our minds for some time and will be on our minds for some time; that is, the cost of energy. It is an incredibly pressing issue, and it is long past due for a commonsense en-

ergy policy with short-term and long-term solutions—critically important. America deserves no less, and Americans deserve no less. It is a matter of national and economic security.

Securing our energy future will free America from being held hostage by foreign producers, and quite honestly, most of them don't like us much—countries such as Russia, Venezuela, and Saudi Arabia. Renewable energy projects will generate good new jobs here in America while creating a sustainable energy supply at affordable prices for American consumers.

I have spoken many times on this floor about the need to drill for oil in places that make sense in this country. One of them in particular is a formation called the Bakken formation in eastern Montana. I have called on my colleagues to work together to crack down on oil speculators who artificially drive up the price of oil, and, of course, I have spoken about the need to conserve—the low-hanging fruit, conserve, conserve, conserve—and to invest in alternative and renewable energy for the future to make this country energy independent.

That is why I rise today. In Montana, several alternative energy projects have been held up by the Federal Government. Why? Because of too much redtape. And this administration has cut staff and resources just when we need them the most in the area of renewable energy. That is why I am introducing legislation, along with Senator FEINSTEIN, that will help get renewable energy projects approved faster. The measure will cut through the redtape that slows down too many of these innovative and important projects. My bill will make it easier for folks who are figuring out how to use new technology to solve the energy crisis while also cutting down on the emissions of greenhouse gases. It would also create as many as six renewable energy pilot project offices across the country to coordinate Federal permits for renewable energy projects and transmission lines with State governments.

This legislation is only a part of the puzzle, but it is a very important piece. In the 2005 Energy bill, we created an oil and gas pilot project to speed up onshore gas and oil exploration drilling, and it is working. If we had put the same focus on renewable energy that we have on oil and gas, we would be in a different spot today. And we won't run out of renewables as we will with oil.

I very much appreciate the work many of my colleagues have been doing to develop a bipartisan energy proposal, and I support their work. I call on the Senate to work together to pass commonsense solutions to this energy crisis. We can't put all our eggs in one basket energy-wise. Energy security will take a mix of solutions, and it is not going to happen overnight. But every day we delay is another day we continue to rely on foreign energy.